

TRANSMITTAL OF QUARTERLY
POST CONFIRMATION REPORT WITH CERTIFICATION
FOR THE QUARTER ENDED
DECEMBER 31, 2017

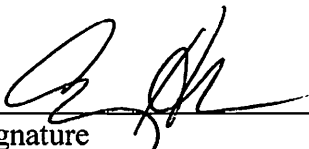
In re:)	
)	Case No. 16-40271-CAN
Mid-States Supply Company, Inc.,)	
)	Chapter 11
Debtor)	

The Liquidating Trustee affirms that:

1. The attached Chapter 11 Post Confirmation Report for the quarter ended December 31, 2017, which includes the Total Disbursements for Quarter, the Summary of Amounts Distributed Under the Plan and the Summary of Status on Consummation of Plan has been reviewed and the report as prepared fairly and accurately reflects the bankruptcy estate's disbursement / distribution activity and status for the period stated.
2. The individual responsible for preparing the attached report is Areya Holder Aurzada whose title is Liquidating Trustee. Any questions regarding the attached report should be directed to Areya Holder Aurzada at telephone number (972) 438-8800.
3. The Liquidating Trust is in compliance with the provisions of the confirmed Chapter 11 Plan.
4. The Liquidating Trustee has received some but not all of the Debtor's books and records. The Liquidating Trustee has served supplemental requests for production on the purchaser of the Debtor's assets, who is the entity in possession of the Debtor's books and records. The Liquidating Trustee is awaiting the purchaser's comprehensive responses and document production.
5. The undersigned is authorized to file this report on behalf of the Liquidating Trust.

It is certified hereby, under penalty of perjury, that the information provided herein is true and correct to the best of my knowledge and belief.

Dated: February [1], 2018

By: 
Signature
Areya Holder Aurzada
Liquidating Trustee

POST CONFIRMATION REPORT WITH CERTIFICATION
FOR THE QUARTER ENDED
DECEMBER 31, 2017

Debtor: Mid-States Supply Company, Inc.

Case No. 16-40271-CAN-11

Total Disbursements for Quarter:

All disbursements made by the bankruptcy estate (vis-à-vis the Liquidating Trust, as successor in interest under the confirmed chapter 11 plan of liquidation) during the current quarter, whether under the plan or not, must be accounted for and reported herein for the purpose of calculating quarterly fees.

Total Disbursements: \$[6,842.86]

Summary of Amounts Distributed Under Plan:

	<u>Current Quarter</u>	<u>Paid to Date</u>	<u>Balance Due</u>
A. Fees and Expenses			
1. Trustee Compensation	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
2. Fee for Attorney for Trustee	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
3. Fee for Attorney for Debtor	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
4. Other Professionals	<u>\$0.00</u>	<u>\$263,411.347</u>	<u>\$0.00</u>
5. All expenses	<u>\$6,842.86</u>	<u>\$8,242.86</u>	<u>\$0.00</u>
B. Distributions			
6. Secured Creditors	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
7. Priority Creditors	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
8. Unsecured Creditors	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
9. Equity Security Holders	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
10. Other Transfers	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

Summary of Status of Consummation of Plan

Plan Payments are Current:

Yes x No

Quarterly Fee Due to the United States Trustee are Current:

Yes x No

Anticipated date of final report/motion for final decree:

12/31/18

CHAPTER 11 POST CONFIRMATION REPORT (CONT.)
FOR QUARTER ENDED
DECEMBER 31, 2017

Value of Liquidating Trust Assets as of Quarter Ended

1. Liquidated Assets

A. Cash on deposit: \$[0.00] (Total Deposits received in the Current Quarter)

\$[6,842.86] (Total Disbursements made in the Current Quarter)

\$[495,578.54] (Total cash on hand as of 12/31/17, Quarter Ended)

2. Unliquidated Assets¹

- A. Real Property:** Undeveloped tract of land located in Killdeer, North Dakota, as disclosed and described in more detail in Section 55.27 on page 14 of the Debtor's Schedule A/B filed at Docket Number 193 in the Bankruptcy Case ("Schedules"). The real property's estimated value is \$38,324.12. The Liquidating Trustee, with the unanimous written approval of the Liquidating Trust Advisory Board, hired Debra Harsche of Continental Real Estate, Inc. as the estate's realtor and broker to liquidate this real property. The property is currently listed for sale through Ms. Harsche.
- B. Claims, Causes of Action and Litigation:** The claims and causes of action held by the Liquidating Trust, include, without limitation, D&O insurance policy recovery, avoidance actions, claims against insiders, and all other rights, claims and causes of action to be determined upon the investigation of the Liquidating Trustee and her professionals. The Debtor's Schedules disclose \$24,000,000.00 in transfers to non-insiders in the 90 days prior to the Debtor's bankruptcy petition date. In December, 2017, The Liquidating Trustee and her professionals served more than 250 demand letters on persons in receipt of potentially preferential transfers during the 90 days prior to the Debtor's bankruptcy petition date. The Liquidating Trustee and her professionals are actively communicating with and negotiating in good faith with certain parties responding to such preference demand letters. The Liquidating Trustee and her professionals are currently conducting their investigation regarding the viability of such assets, and such investigation remains ongoing as of the date of December 31, 2017 (Current Quarter Ended).

¹ The values assigned to the Liquidating Trust's unliquidated assets herein are based on the disclosures contained in the Schedules and the *Corrected Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation* [Dkt. 560] ("Disclosure Statement"). The values disclosed in the Schedules and Disclosure Statement are based on the Debtor's knowledge of such assets as of the date filed. The actual value of such assets may vary depending on the Liquidating Trustee's actions required to liquidate the same. The Liquidating Trustee reserves all rights to amend the values estimated herein based on the liquidation of such assets in due course of administering the Liquidating Trust's estate.

C. Preferred Equity Interests: Pursuant to the terms of the sale transaction between the Debtor and SSC Mid States Supply Inc. (“Purchaser”), as approved by the Bankruptcy Court, the Liquidating Trust, as successor in interest to the Debtor, owns \$1,350,000.00 in preferred equity interests in SSC Mid States Holdings, LLC (parent company owning 100% of the equity interests in the Purchaser) for the benefit of unsecured creditors.

Amount of Estate Liabilities as of Quarter Ended

1. *Professional Fees:* As of the close of the current Quarter Ended, the Liquidating Trust is unaware of any enforceable professional fees remaining against the estate. All currently enforceable claims against the Liquidating Trust for professional fees and expenses have been completely satisfied in full.
2. *Administrative Claims:* February 19, 2017, was the deadline for parties seeking administrative expense priority to submit written applications for such relief in the Bankruptcy Court. As of the Quarter Ended, a total of six (6) applications for administrative expenses were filed in the Bankruptcy Case. As of the Quarter Ended, five (5) of the six (6) applications were resolved by agreed order for a total of \$37,055.53 in allowed administrative expense claims. As of the Quarter Ended, the only unresolved application for administrative expense remains pending and filed by Teamsters Local Union No. 541 (“Union”) at Docket Number 526. The Union’s application is subject to pending litigation by the Liquidating Trustee. The Union seeks approximately \$350,000 in administrative expense priority. The Union’s alleged administrative expense claim remains pending as of the Quarter Ended. In addition to the \$37,055.53 in allowed administrative expenses via written application, on July 19, 2017, the Liquidating Trustee and her professionals filed an omnibus objection to administrative claims. The Liquidating Trustee and her professionals continue to investigate the allowed amount administrative claims, and such investigation remains ongoing as of the date of December 31, 2017 (current Quarter Ended). Accordingly, as of the Quarter Ended, the Liquidating Trustee’s administrative claims reconciliation process remains open and ongoing. As such, the Liquidating Trustee is unable to calculate a final balance of allowed administrative claims in this case at this time. The administrative claims identified and described in this subparagraph are subject to further reconciliation and adjustment by the Liquidating Trustee. Upon conclusion of the administrative claims reconciliation process, the Liquidating Trustee shall finalize and report the total balance of allowed administrative claims against the bankruptcy estate.
3. *Priority Unsecured Claims:* As of the Quarter Ended, the deadline for parties to file priority claims expired. As of the Quarter Ended, the Debtor estimates priority tax claims in the amount of approximately \$150,000.00. As of the Quarter Ended, the Debtor estimates non-tax priority claims in the amount of approximately \$370,000.00. These figures are based on the claims filed prior to the claims submission deadline in the Bankruptcy Case and the Debtor’s amended schedules. On August 21, 2017, the Liquidating Trustee and her professionals filed an omnibus objection to priority claims.

The Liquidating Trustee and her professionals continue to investigate the allowed amount and classification of all unsecured priority claims filed, and such investigation remains ongoing as of the date of December 31, 2017 (current Quarter Ended). Accordingly, as of the Quarter Ended, the Liquidating Trustee's unsecured priority claims reconciliation process remains open and ongoing. As such, the Liquidating Trustee is unable to calculate a final balance of allowed priority unsecured claims in this case at this time. The unsecured priority claims identified and described in this subparagraph are subject to further reconciliation and adjustment by the Liquidating Trustee. Upon conclusion of the unsecured priority claims reconciliation process, the Liquidating Trustee shall finalize and report the total balance of allowed priority unsecured claims against the bankruptcy estate.

4. *General Unsecured Claims:* As of the Quarter Ended, the deadline for parties to file claims expired. As of the bankruptcy petition date, the Debtor estimated unsecured claims in the amount of approximately \$57,000,000.00. This figure is based on the claims listed in the Debtor's Schedules and the claims filed prior to the submission deadline in the Bankruptcy Case. On August 21, 2017, the Liquidating Trustee and her professionals filed an omnibus objection to claims. The Liquidating Trustee and her professionals continue to investigate the allowed amount and classification of all unsecured claims filed, and such investigation remains ongoing as of the date of December 31, 2017 (current Quarter Ended). Accordingly, as of the Quarter Ended, the Liquidating Trustee's unsecured claims reconciliation process remains open and ongoing. As such, the Liquidating Trustee is unable to calculate a final balance of allowed unsecured claims in this case at this time. The unsecured claims identified and described in this subparagraph are subject to further reconciliation and adjustment by the Liquidating Trustee. Upon conclusion of the unsecured claims reconciliation process, the Liquidating Trustee shall finalize and report the total balance of allowed unsecured claims against the bankruptcy estate.
5. *Wells Fargo Subordinated Claim:* As of the Quarter Ended, Wells Fargo Bank, N.A. ("Wells Fargo") asserts an unsecured deficiency claim remaining after the application of liquidation proceeds from Wells Fargo's collateral obtained through the sale of such assets to the Purchaser. The entire balance of Wells Fargo's unsecured deficiency claim is fully subordinated to the general unsecured claims identified above. As of the Quarter Ended, the Liquidating Trustee is unable to calculate a final balance of Wells Fargo's unsecured deficiency claim in this case at this time. There are unresolved claims in the Bankruptcy Case that may impact the calculation of Wells Fargo's unsecured deficiency claim. Wells Fargo's unsecured deficiency claim identified and described in this subparagraph is subject to further reconciliation and adjustment by the Liquidating Trustee.